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NIC 03008-88  
1 September 1988

MEMORANDUM FOR: See Distribution

SUBJECT: Sense of the Community Memorandum: Economic Actions  
Against Panama

The attached paper represents the views of the Intelligence Community on the effect of Noriega-related court actions and the imposition of IEEPA sanctions against Panama. It concludes that Noriega's overriding concern is his political survival and, as a consequence, he sees the deteriorating economy in terms of how it affects his position. We believe the economy is a threat only to the extent further deterioration might jeopardize payments to the military or provoke Panamanians to take to the streets in violent protest. We judge, however, that neither of these events are likely over the next six months. To some extent the sanctions are afflicting US firms and Noriega's opponents more than the regime or his supporters. Although retaliation against US firms has been used sparingly so far, we believe Noriega would not hesitate to use pressure if it suited his political or economic needs.

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Assistant National Intelligence  
Officer for EconomicsAttachment:  
As stated

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